

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF)	CASE NO. 6602-RR
EQUITABLE GAS COMPANY)	

O R D E R

On December 8, 1976, the Commission issued its Order in Case No. 6602, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 30, 1990, Equitable Gas Company ("Equitable") notified the Commission that its wholesale cost of gas was increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective May 1, 1990, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) Equitable's notice of March 30, 1990 set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$533,818 or 97.87 cents per Mcf.

(2) Kentucky West applied with the Federal Energy Regulatory Commission for increased rates to become effective May 1, 1990. The effective date for the increase in Equitable's rates should be on and after May 1, 1990. Kentucky West's rates are subject to refund; hence, Equitable's rates should be subject to refund.

(3) The adjustment in Equitable's rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 6602 dated December 8, 1976 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after May 1, 1990, subject to refund.

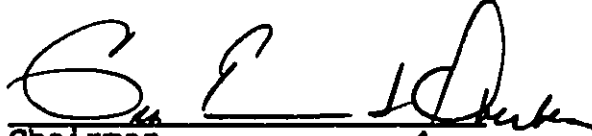
IT IS THEREFORE ORDERED that:

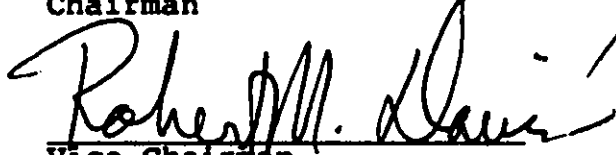
(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just and reasonable and are approved effective with gas supplied on and after May 1, 1990, subject to refund.

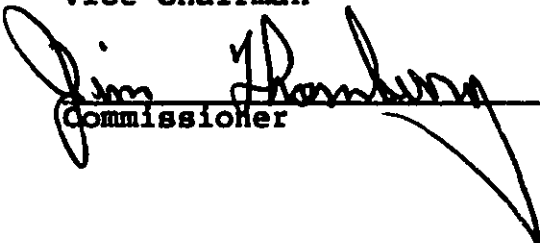
(2) Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of April, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 6602-RR DATED 4/23/90

The following rates and charges are prescribed for the customers in the area served by Equitable Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First	2 Mcf	\$5.3482 per Mcf
Next	18 Mcf	5.1632 per Mcf
Next	30 Mcf	5.1082 per Mcf
Next	50 Mcf	5.0582 per Mcf
All Over	100 Mcf	5.0082 per Mcf

The minimum bill shall be \$1.80.

The following adjustments will be made to the above rates:

A surcharge of \$0.2278 per Mcf to reconcile undercollections occurring from 4/1/83 to 6/30/87 will be added to the above rates to be effective for 60 months beginning with the date of the Commission Order in Case No. 6602-GG or until the undercollection is recovered.

A refund of \$.0897 per Mcf to reconcile overcollections occurring from February 1989 through June 1989 to remain in effect for 12 months.

The base rate for the future application of the purchased gas adjustment clause of Equitable Gas Company shall be:

Commodity

Kentucky West Virginia Gas Company \$4.0038/Dth*

*Includes \$.0151 Gas Research Institute Funding Charge and an Annual Charge Adjustment of \$.0017.